

# HCS Technology Group

## Calculating Payback and Return on Investment (ROI)

The following section offers a brief outline of a methodology that many of HCS customers have successfully used to quantify the value of a DAM deployment to their organization and to prioritize DAM-based initiatives based upon desired returns and payback schedules.

### Identify Digital Assets

While HCS may define a Digital Asset as "content + metadata", publishers think of "inside matter", advertisers think of "campaign jackets", production companies think of "trailers" and music executives value "tracks." In fact, the first step in understanding the value of DAM and your organization's dependence upon Digital Assets is to inventory the Digital Assets that are already a part of your operations.

Digital Assets come in every flavor of media, from print to high-resolution video. The common thread is that this digital content has financial value.

Two metrics are extremely effective in determining whether digital content qualifies as a digital asset: a high degree of reuse and/or inclusion if brand or other intellectual property.

### Capture the Digital Asset Supply Chain

Use the assets as a guide to the people and business processes that are likely to be impacted by a DAM deployment.

Photography  
Production  
Creative Services  
Marketing  
Legal

### Map "Before" and "Ideal" Digital Asset Lifecycles

Typically, the "before" processes reflects site-specific anomalies relating to acquisitions, reorganization, legacy technology investments etc. The "after" should be based upon a centralized logical view of the enterprise's assets and should include the following kinds of information:

- A ranked list of the user communities that have the greatest dependence on the highest value Digital Assets
- User-centric functional requirements such as "photo by campaign usage and media type."
- Provide detailed scenarios where reuse replaces recreation, self-help replaces human support, and digital distribution replaces shipping, transportation and travel.

### Do the Math

This is a straightforward exercise that can often yield a break-even of less than 12 months including hardware, software, professional services and training. It is important to distinguish between hard paybacks such as direct cost savings and soft upsides such as anticipated incremental revenue and customer satisfaction (because your management certainly does). A short set of examples can include:

- Re-licensing: Savings in staff time required to retrieve digital assets for re-license and re-use as well as legal support to track down and validate rights and permissions associated with those assets.
- Material Distribution: Savings in printing, delivery and postage costs by sending materials digitally including promotional, creative and sales collateral.
- Art: Savings in art directors and designers filling requests for cover art.
- Asset Creation: Reproduction cost avoidance of recreating marketing collateral.

### Conclusion

Digital Asset Management has clearly emerged as a critical component of IT infrastructure and has left behind its early niche as specialized software for pre-press, video production and publishing departments. The Internet revolution and the convergence of digital media have catapulted Digital Asset Management across the enterprise and into virtually every industry.